

## Message Text

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ORIGIN STR-07

INFO OCT-01 ARA-10 IO-13 ISO-00 EB-08 AGR-01 STRE-00  
CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-10  
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00  
AID-05 SS-15 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02  
OMB-01 DOE-15 /125 R

DRAFTED BY STR:HJROSENBAUM:RMA  
APPROVED BY STATE:SAHMAD  
STR:SLLANDE  
AGRICULTURE:JHUDSON  
STATE:EBITTNER

-----129816 081732Z /50

R 081339Z AUG 78  
FM SECSTATE WASHDC  
TO AMEMBASSY MEXICO CITY  
USMISSION GENEVA

C O N F I D E N T I A L STATE 199609

GENEVA FOR MTN

E.O. 11652: GDS

TAGS: MX, MTN

SUBJECT: WOLFF LETTER TO HERNANDEZ AND U.S. AGRICULTURAL  
OFFER TO MEXICO

1. ACTION REQUESTED: MEXICO CITY. PLEASE TRANSMIT  
FOLLOWING LETTER FROM AMBASSADOR WOLFF AND THE U.S.  
AGRICULTURAL OFFER TO LIC. HECTOR HERNANDEZ, UNDER-  
SECRETARY OF FOREIGN TRADE, SECRETARIAT OF COMMERCE.  
ORIGINAL LETTER AND ENCLOSURE BEING POUCHED. IF EMBASSY  
DEEMS IT APPROPRIATE, WOLFF-HERNANDEZ LETTER MAY BE SHARED  
WITH FOREIGN MINISTRY.

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2. ACTION REQUESTED: MTN DEL. PLEASE NOTIFY GATT OF U.S.  
AGRICULTURAL OFFER TO MEXICO.

3. WOLFF-HERNANDEZ LETTER:

LIC. HECTOR HERNANDEZ

UNDERSECRETARY OF FOREIGN TRADE, SECRETARIAT OF COMMERCE  
C/O AMERICAN EMBASSY  
APDPO. POSTAL 88 - BIS  
MEXICO, D.F.

BEGIN TEXT:

DEAR HECTOR:

I REGRET THAT YOU WERE UNABLE TO TRAVEL TO GENEVA LAST MONTH AS PLANNED. I HAD LOOKED FORWARD TO MEETING WITH YOU AND MAKING SIGNIFICANT PROGRESS IN OUR BILATERAL NEGOTIATIONS. HOWEVER, I FULLY UNDERSTAND THAT YOUR ABSENCE WAS NOT A MATTER OF CHOICE AND THAT URGENT MATTERS DICTATED YOUR REMAINING IN MEXICO. ABEL GARRIDO DID, HOWEVER, HAVE EIGHTEEN HOURS OF DISCUSSIONS WITH MEMBERS OF THE UNITED STATES' DELEGATION IN GENEVA.

I AM VERY CONCERNED OVER THE CURRENT STATE OF OUR NEGOTIATIONS. WE ONLY HAVE A VAGUE PICTURE OF MEXICO'S OFFER OF CONTRIBUTIONS TO THE MTN. WHILE ABEL IDENTIFIED PRODUCTS MEXICO IS WILLING TO NEGOTIATE, HE DESCRIBED ONLY THEIR CURRENT TARIFF AND NON-TARIFF TREATMENT, NOT MEXICO'S RESPONSE TO OUR REQUESTS. TO BE CANDID, THE PRELIMINARY MEXICAN OFFER ON TARIFFS AND NON-TARIFF MEASURES FALLS FAR SHORT OF OUR EXPECTATIONS, BOTH IN DETAIL AND IN PRODUCT

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COVERAGE.

I HOPE THAT YOU WOULD AGREE THAT WE SHOULD STILL SEEK A MUTUALLY SATISFACTORY MTN SETTLEMENT WHICH WOULD PERMIT THE UNITED STATES TO MAINTAIN ITS CURRENT OFFER TO MEXICO. THE CURRENT MEXICAN OFFER, AS I UNDERSTAND IT, WOULD NOT MEET THIS OBJECTIVE. MANY OF THE AGRICULTURAL PRODUCTS OFFERED WERE NOT REQUESTED BY THE UNITED STATES, AND THE INDUSTRIAL OFFER CONSISTED ONLY OF MEASURES ALREADY TAKEN. MOREOVER, REPORTS FROM OUR GENEVA DELEGATION SUGGEST THAT MEXICAN REPRESENTATIVES HAVE BEEN STEPPING BACKWARDS IN THE NON-TARIFF GROUPS.

JAMES STARKEY INFORMALLY PRESENTED OUR INITIAL AGRICULTURAL OFFER TO MEXICO IN EARLY JUNE WHEN HE WAS IN MEXICO CITY FOR TOMATO CONSULTATIONS. WE HAVE TAKEN STEPS TO FORMALIZE THAT OFFER IN THE GATT, AND I AM ENCLOSING A COPY FOR YOUR INFORMATION. AS REGARDS MEXICO'S ACCESSION TO THE GATT, I CONTINUE TO BELIEVE THIS WOULD REPRESENT AN IMPORTANT STEP TOWARDS THE MAINTENANCE AND IMPROVEMENT OF OUR TRADING RELATIONSHIP.

ON A MATTER NOT ENTIRELY UNRELATED TO THE MTN, I AM PLEASED TO REPORT TO YOU THAT A BILL HAS BEEN INTRODUCED IN THE UNITED STATES CONGRESS ALLOWING FOR TEMPORARY DUTY SUSPENSION ON IMPORTED RAIL CARS. AS YOU KNOW, MEXICAN PRODUCERS HAVE SOUGHT SUCH ACTION TO OVERCOME UNEXPECTED DIFFICULTIES THEY FACE FROM THE LOSS OF GSP DUTY-FREE TREATMENT ON

MARCH 1 OWING TO COMPETITIVE NEED PROVISIONS OF OUR LAW. IF THE CONGRESS WERE TO PASS THIS BILL, IT WOULD BE AUTHORIZING A DEPARTURE FROM THE COMPETITIVE NEED PRINCIPLE WHICH BOTH WE AND THEY BELIEVE IS A SOUND ONE. NEVERTHELESS, BECAUSE OF THE UNUSUAL CIRCUMSTANCES AND AS AN EXPRESSION OF OUR MUTUAL INTEREST IN HAVING THE BEST POSSIBLE TRADE RELATIONSHIP, I HAVE AUTHORIZED THIS OFFICE TO CONFIDENTIAL

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SUPPORT THIS BILL AT THIS TIME. WE ARE BEING QUESTIONED BY THE COMMITTEES CONSIDERING THIS BILL ABOUT PROGRESS WITH MEXICO IN THE MTN AND WE HOPE TO BE IN A POSITION TO BE ABLE TO RESPOND FAVORABLY TO THEM IN THE NEAR FUTURE.

IF WE ARE TO MOVE FORWARD IN THE MTN, IT SEEMS TO ME TIME THAT WE GET DOWN TO BUSINESS AND HAVE SOME FRANK DISCUSSIONS WITH RESPECT TO OUR NEGOTIATING INTERESTS. THE MTN IS QUICKLY APPROACHING ITS CONCLUSION. FOR MY PART, I AM PREPARED, IN THE REMAINING FEW MONTHS, TO BE AVAILABLE FOR SERIOUS AND DETAILED NEGOTIATIONS WITH YOU. I AM CERTAIN THAT TOGETHER WE CAN OVERCOME THE OBSTACLES THAT TO DATE HAVE PREVENTED US FROM TAKING ADVANTAGE OF THE HISTORIC OPPORTUNITY THAT THE MTN PROVIDES.

BEST REGARDS,

SINCERELY,

ALAN WM. WOLFF

ENCLOSURE

END TEXT.

#### 4. U.S. AGRICULTURAL OFFER TO MEXICO

TSUS.....DESCRIPTION.....OFFER

130.63.....SEED WHEAT.....0.0 PERCENT  
132.55.....STARCHES N.S.P.F.....0.0 PERCENT  
EX 135.16 BEANS OT LIMA.....18.3 PERCENT  
.....3/1 - 8/31  
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135.90.....CUCUMBERS 12/1.....26.6 PERCENT  
.....2/28  
EX 135.92 CUCUMBERS.....24.3 PERCENT  
.....5/1 - 6/30  
.....9/1 - 10/31  
EX 136.20 EGGPLANT 7/1 - 10/31 13.5 PERCENT  
EX 136.22 EGGPLANT 11/1 - 6/30 18.6 PERCENT  
136.30.....GARLIC, FRESH.....0.0 PERCENT  
136.80.....OKRA, EXCL FROZEN.....15.0 PERCENT

TSUS.....DESCRIPTION.....OFFER

136.92..... PEARL ONIONS.....7.6 PERCENT  
EX 137.10 PEPPERS 7/1 - 10/31.....10.2 PERCENT  
EX 137.50 SQUASH 6/1 - 11/30.....8.5 PERCENT  
137.62.....TOMATOES 7/15 - 8/31.....2.8 PERCENT  
138.05.....BROCCOLI, CAULIFLOWER.....7 PERCENT  
.....EXCL OKRA  
EX 146.75 STRAWBERRIES OTHER THAN FROZEN 10 PERCENT  
EX 148.25 MELONS OT CANTELOUPES AND.....0.0 PERCENT  
.....WATERMELONS 12/1 - 3/31  
166.40.....BEVERAGES N.S.P.F.....0.0 PERCENT  
CHRISTOPHER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DIPLOMATIC COMMUNICATIONS  
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**Draft Date:** 08 aug 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
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**Document Number:** 1978STATE199609  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** HJROSENBAUM:RMA  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780324-0564  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
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**Review Exemptions:** n/a  
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**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1803172  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** WOLFF LETTER TO HERNANDEZ AND U.S. AGRICULTURAL OFFER TO MEXICO  
**TAGS:** PDIP, US, MX, MTN, (WOLFF, LESTER L), (HERNANDEZ, HECTOR)  
**To:** MEXICO GENEVA  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/b8190467-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014